

112 FERC ¶ 61,285  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

September 15, 2005

In Reply Refer To:  
Nicor Gas  
Docket Nos. PR05-12-000, 001

Nicor Gas  
c/o Hogan & Hartson LLP  
555 Thirteenth Street, N.W.  
Washington, DC 20005

Attention: Christopher A Schindler

Reference: Stipulation and Agreement

Dear Mr. Schindler:

1. The Stipulation and Agreement (Settlement) filed by Nicor Gas (Nicor) on August 31, 2005 in Docket No. PR02-12-001 reasonably resolves all issues in this proceeding, produces fair and equitable rates, and therefore, is approved.

2. The following is a summary of the major provisions of the Settlement.

a. Effective September 15, 2005, the maximum fair and equitable NGPA section 311 rates are as follows:

Firm Transportation Service	
Reservation Charge	\$2.3240/MMBtu/month
Commodity Charge	Fuel Charge

Firm Storage Service	
Deliverability Charge	\$2.0712/MMBtu/month
Capacity Charge	\$0.0290/MMBtu/month
Injection Commodity Charge	\$0.000
Withdrawal Commodity Charge	Fuel Charge

Facility Based Priority Interruptible Storage Service	
Prepayment Charge	\$2.4855/MMBtu/month
Commodity Charge	\$0.0545/MMBtu

## Priority Interruptible Transportation Service

Prepayment Charge	\$1.1620/MMBtu/month
Commodity Charge	\$0.0382/MMBtu

## Priority Interruptible Storage Service

Prepayment Charge	\$2.0712/MMBtu/month
Injection Commodity Charge	\$0.0681/MMBtu/month
Withdrawal Commodity Charge	Fuel Charge

Interruptible Transportation Service \$0.0764/MMBtu

Interruptible Storage Service \$0.1362/MMBtu/day

Interruptible Balancing Service \$0.2126/MMBtu/day

Parking and Loaning Service \$0.2126/MMBtu/day

- b. Within thirty (30) days of the effective date of the Settlement, Nicor will revise its Operating Statement to implement a fuel retention mechanism which allocates a portion of the total system fuel cost to the shippers. This traditional mechanism with a 0.44% fuel charge will provide Nicor Gas customers with price certainty and ensure that Nicor collects for fuel used to operate its system.<sup>1</sup> Nicor will also revise sections 1, 4, 5, 6, 11, 13, 14 and 17 of the Operating Statement to clarify the procedures for requesting service, making nominations, scheduling, determining priorities of service and various housekeeping changes.
- c. Nicor has no refund obligation because of its decision to continue to charge its existing Commission approved rates for the period prior to September 15, 2005.
- d. On or before September 15, 2008, Nicor shall file a rate petition pursuant to section 284.224 and Subpart C of Part 284 of the Commission's regulations<sup>2</sup> to justify its current rates or to establish new rates applicable to interstate transportation service.

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<sup>1</sup>See, e.g., Operating Statement of The Peoples Gas Light and Coke Company at § 10.2: Northwest Natural Mist Storage Service Operating Statement at § 4.2.3.

<sup>2</sup> 18 C.F.R. ¶ 284.224 (2005).

- e. The provisions of the Settlement shall become effective upon issuance of a final Commission order approving the Settlement without modification. An order shall be deemed a final Commission order as of the day rehearing is denied or, if rehearing is not applied for, the date on which the right to seek rehearing expires.

3. The settlement was filed pursuant to Rule 602 (f)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (f)(2) (2005). Pursuant to Nicor's request, a shortened comment period was established with initial comments to be filed on or before September 6, 2005, and reply comments on or before September 8, 2005. Pursuant to Rule 385.602(d), Nicor has served a copy of the Settlement on all parties. No protests or adverse comments were filed.

4. This letter order does not relieve Nicor of its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute a precedent regarding any principle or issue in this proceeding.

By direction of the Commission. Commissioner Brownell concurring with a separate statement attached.

Magalie R. Salas,  
Secretary.

cc: All Parties

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Northern Illinois Gas Company

Docket Nos. PR05-12-000 and  
PR05-12-001

(Issued September 15, 2005)

BROWNELL, Commissioner, concurring:

For the reasons set forth in Green Canyon Pipe Line Company, L.P. in Docket No. PR01-15-001, I would not impose a triennial rate approval requirement on Section 311 pipelines. Here, Northern Illinois Gas Company has agreed to make a triennial rate approval filing as part of an overall settlement. Therefore, I agree with the result of this order which is to approve an uncontested settlement.

Nora Mead Brownell  
Commissioner